

Brigham Young University Trust Limited
(A limited company and registered charity)

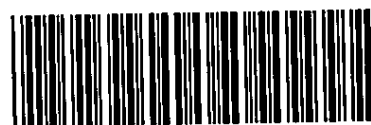
Annual Report and Financial Statements

Year ended 31 December 2006

Company number: 1496990

Charity number 280605

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Brigham Young University Trust Limited

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Brigham Young University Trust Limited

Report of the trustees for the year ended 31st December 2006

The trustees are pleased to present their report together with the financial statements of the charity for the year ending 31st December 2006.

Legal and administrative details

Charity number 280605

Company number 1496990

Principal Office 751 Warwick Road, Solihull, West Midlands, B91 3DQ

Accountant	Paul Stobbs Chartered Accountant	1 Summer Hollow, Broadmore Green, Rushwick, Worcester WR2 5TR
Bankers	Barclays Bank PLC	155 Brompton Road, London, SW3 1XD
Solicitors	Devonshires	Salisbury House, London Wall, London, EC2M 5QY

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees

The trustees serving during the year and since the year-end were as follows

Terry Joe Spallino
chair

Clive Richard Jolliffe
Secretary

Robert John Mulligan (appointed 22nd March 2007)

Andrew Ford (resigned 22nd March 2007)

Structure, Governance and Management

Governing Document

Brigham Young University Trust Limited is a limited company and a registered charity. The Charity is governed by its Memorandum and Articles of Association.

Appointment of trustees

As set out in the Articles of Association, new or additional directors are to be appointed by the shareholder (Brigham Young University), providing such persons are willing so to act either to fill a vacancy or as an additional trustee.

The shareholder will also determine the rotation and time in which trustees are to retire. Currently no term is fixed to the term served. Trustees shall not be less than two nor more than seven in number.

The Shareholder may, from time to time, vary the minimum or maximum number of directors.

Trustee induction and training

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity.

During the induction day they meet key employees and other trustees. Trustees are updated and advised on legal issues by Devonshires Solicitors.

Organisation

The board of trustees, which can have up to 7 members, administers the charity. The board meets at least twice a year. Reports are received in or around each October for the following financial year from the heads of each department for approval by the Trustees. In or around March each year each department gives a report on the previous year.

The trustees monitor progress throughout the year and other trustees meetings are held as and when required.

Employees

The Charity has the policy of ensuring that its employees are those that are able to meet the necessary requirements of their position and are up to date on any developments required for their position. This is achieved in a variety of ways:

- Applications for new positions in the charity are invited from anyone with the relevant qualifications - the key emphasis is on their ability to meet the requirements of the position although the application form does request the applicant to mention if they have any illnesses or medical condition which the employer would need to be aware of in order to make reasonable adjustments should they be successful.
- The charity utilizes regular staff meetings during the year which help to ensure that the employees' input is received regarding any decisions which affect their interests. In addition there are websites and e-mail facilities available to enable more effective communication and training. This helps to ensure that employees receive systematic updates on matters concerning them as employees and ensures their involvement in relation to the financial and economic factors that affect the performance of the charity.
- In addition to the above points the charity is mindful of the need to cater for those with disabilities. Where any employees become incapacitated during their employment they are entitled to receive long term disability benefits from the charity. Where an employee becomes disabled but not incapacitated the employer will make any reasonable adjustments necessary. On training and career development issues, there is no distinction made between disabled and non-disabled employees. The same opportunities are available to all staff, irrespective of disability. The key emphasis is on technical ability of each employee.

Related parties

None

Risk management

Financial risk

The following statements summarize the charity's policy in managing identified forms of financial risk

- Price risk – Salary costs are communicated to staff during the formal annual review of salaries
- Credit risk – Credit risk on amounts owed to the charity by its customers is low as the majority of its debtors are those who have been used frequently by the charity in the past and have a proven reliability
- Liquidity risk – The charity has no long-term borrowings. Assurances of continuing financial support have been received from the parent company
- Interest rate cash flow risk – The charity is able to place surplus funds on short term deposit with the company's bankers

In addition the trustees have a risk management strategy which comprises

- an annual review of the risks the charity may face,
- the establishment of systems and procedures to mitigate those risks identified in the plan, and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise

Objectives and activities

The object of the charity is

- To promote and further the educational and other charitable work of Brigham Young University in the United Kingdom or elsewhere

To achieve this objective Brigham Young University Trust Limited continues to provide its premises based at 27 Palace Court, London SW7 for its Study Abroad Program

The Trust's premises are managed on a day-to-day basis by Tony Wilcox, under the overall direction of the trustees. The Trustees are grateful for all his excellent work and assistance

Because of its educational work the charity is registered with the Department of Education and Skills. It is also a member of the AASAP-UK (American Association of Study Abroad Providers)

Achievements and performance

The Brigham Young University Trust programs are administered from the BYU Provo campus by the Office of International Study Programs (ISP). In 2005-2006 School year, ISP sent 1444 students abroad on 116 programs in 54 different countries. As has been the case in the past, the most popular single destination was the UK where one fifth of the study abroad students spend at least some of their time. The following table enumerates the programs which operated under the auspices of the BYU Trust in 2006.

UK PROGRAMS - Calendar Year 2006

Program name and semester/term	Actual enrollment
British Isles Family History Field Study—Spring 2006	9
Cambridge Honors Study Abroad—Summer 2006	14
European Business Study Abroad—Spring 2006	26
Employment Services Volunteer Internship—Spring 2006	2
Employment Services Volunteer Internship—Fall 2006	2
Individual Internship—Winter 2006	1
*London Study Abroad (London Center)—Winter 2006	42
*London Study Abroad (London Center)—Spring 2006	39
*London Study Abroad (London Center)—Summer 2006	41
*London Study Abroad (London Center)—Fall 2006	41
London Theatre Study Abroad—Spring 2006	38
Scottish Parliament Internships—Winter 2006	9
Scottish Parliament Internships—Spring 2006	12
Scottish Parliament Internships—Fall 2006	2
Wales Study Abroad—Summer 2006	13
Total	291

*These programs are based at the BYU London Center at 27 Palace Court, London

41 more students came to the UK this year than the previous year to study at the centre. Each semester different students travel to London. A number of single discipline and interdisciplinary programs of study are offered, including courses in English, sociology, ancient scripture, history, language, literature, art and theatre.

Students and faculty live at the BYU London Centre, two impressive Victorian town-houses (one a former embassy) on Palace Court in west-central London.

Developments in 2006 include

- Ending the leasing of the flats in Edinburgh The management agency for these flats were difficult to deal with, the flats turned out to be more expensive than planned, and it was difficult to handle logistics like utilities, council tax, etc
- The university ran its first summer program in Cambridge

Financial Review

The Trust continues to be funded by a combination of rental income, interest and contributions from Brigham Young University in the USA Each year the trustees carry out a detailed review of each department of the charity They review the previous year's achievements and review and approve the budgets for next year

The end of the year saw an increase in the incoming resources from £252,195 in 2005 to £255,785 in 2006 This was primarily due to the increase in the reimbursements from the parent company, Brigham Young University from £235,982 in 2005 to £240,596 in 2006 to cover expenses incurred for the year The other incoming resources for the year were composed of rental income (£14,353) and interest income (£836)

Resources expended increased from £252,195 in 2005 to £255,785 due mainly to inflationary reasons

The company achieved break-even position at the year-end

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish

There were no investments during the year

Reserves policy

None

Plans for future periods

In 2007 we are running the following programs in the United Kingdom

Program name and semester/term	Enrollment
Cambridge Honors Study Abroad – Summer Term 2007	27
England and Literature – Spring 2007	24
Wales Study Abroad – Summer Term 2007	10
Glasgow General Education	20
London Theater Study Abroad – Spring 2007	40
Scottish Parliament Internship – Fall 2007	6
Scottish Parliament Internship – Spring 2007	7
Scottish Parliament Internship – Winter 2007	2
*London General Education Study Abroad – Winter 2007	41
*London General Education Study Abroad – Spring 2007	41
*London General Education Study Abroad – Summer 2007	41
*London General Education Study Abroad – Fall 2007	41
Total	300

*These programs are based at the BYU London Center at 27 Palace Court, London

The following plans/issues will be dealt with in 2007

- Further work will be done on a proposed Study Abroad for the Linguistics Department which will serve 30 or more students in London starting in Summer or Fall of 2008
- The BYU Trust will continue to maintain active membership in AASAP/UK. This membership is likely to become more important over time as the British government is following the American lead in tightening regulations on foreign students. In the next few years it is likely that the UK government will institute progressively stricter visa/visitor regulations which, in turn, could have a major impact on the way BYU's UK programs are run.
- Efforts will continue to be made to find a way to simplify the financial management of the UK programs. This will include a review of the current banking practices of the Center and the way BYU faculty access program funds.
- Continued efforts will be made to secure adequate housing in Edinburgh.
- Plans for renovations to the London Centre's kitchen and possibly library will be made.
- An effort will be made to increase opportunities for BYU students to work as interns at various places within the UK.

Trustees' responsibilities in relation to the financial statements

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to

- Select suitable accounting policies and then apply them consistently,
- Make sound judgements and estimates that are reasonable and prudent, and
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the charity will continue in business

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement on disclosure of information to the charity's accountant

So far as we are aware, there is no relevant accounting information of which the charity's independent accountant is unaware, and

As the trustees of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant accounting information and to establish that the charity's accountant is aware of that information.

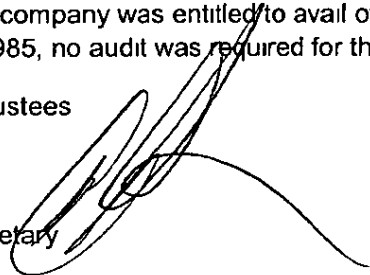
Auditors

As the charitable company was entitled to avail of audit exemptions under section 249 of the companies Act 1985, no audit was required for the accounts.

By order of the trustees

Clive Jolliffe

Trustee and Secretary



25 October 2007

ACCOUNTANT'S REPORT TO THE MEMBERS OF

Brigham Young University Trust Limited

for the year ended 31st December 2006

Accountant's report to the members of Brigham Young University Trust Limited

I report on the financial statements for the year ended 31st December 2006 which comprise the statement of financial activities, the balance sheet and related notes

Respective responsibilities of directors and examiner

The directors also act as trustees for the charitable activities of Brigham Young University Trust Limited

The charity's trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year as the charity's gross income does not exceed £500,000 in either the current financial year or the financial year immediately preceeding this year

Therefore an independent examination is needed

It is my responsibility to.

- a Examine the accounts
- b Follow the procedures laid down in the General Directions given by the Charity Commissioners
- c Give due regard to the requirements of the Companies Act 1985 as applicable

Basis of accountant's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts

ACCOUNTANT'S REPORT TO THE MEMBERS OF

Brigham Young University Trust Limited

for the year ended 31st December 2006

Accountant's statement

It is my view that.

- a The accounts of the company for the year ending 31st December 2006 are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985
- b Having regard only to, and on the basis of, the information in those accounting records, these accounts have been drawn up in a manner consistent with the provisions of the Act as specified in subsection (6) of section 249C, so far as applicable to the company.
- c Having regard only to, and on the basis of, the information in the accounting records, the company satisfied the requirements of section 249A(4), for the financial year ended 31st December 2006, and did not fall within section 249B(1) (a) to (f) at any time during the financial year

In connection with my examination, no matter has come to my attention

- d Which gives me reasonable cause to believe that in any material respect the requirements
 - i To keep accounting records in accordance with section 41 of the Charities Act 1993
 - ii To prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Acthave not been met, or
- e To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

Signed:



Name	Paul Stobbs
Professional Qualification	Associate, Institute of Chartered Accountants in England & Wales
Address	1 Summer Hollow Broadmore Green Rushwick Worcester WR2 5TR
Date	

Brigham Young University Trust Limited

Statement of financial activities

for the year ended 31 December 2006

	Notes	2006 £	2005 £
Incoming resources			
Incoming resources from generated funds			
<i>Voluntary Income</i>			
Reimbursements from Brigham Young University	1	240,596	235,982
<i>Investment Income</i>			
Rental income	1	14,353	14,375
Interest income		836	1,838
Total Incoming resources		255,785	252,195
Resources expended			
Charitable activities	2b	253,785	250,195
Governance costs	2c	2,000	2,000
Total resources expended		255,785	252,195
Net movement in funds		-	-
Total funds brought forward		-	-
Total funds carried forward		-	-

The Statement of Financial Activities constitutes an Income and Expenditure account for the purposes of the Companies Act 1985

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Statement of Financial Activities

The result for the year arises from the company's continuing activities

The notes on pages 13 to 15 form part of these financial statements

Brigham Young University Trust Limited

Balance sheet as at 31st December 2006

	Notes	2006 £	2005 £
Current Assets			
Cash at Bank and in hand		68,927	32,308
		<u>68,927</u>	<u>32,308</u>
Creditors Amounts falling due within one year	4	68,827	32,208
		<u>68,827</u>	<u>32,208</u>
Total assets less current liabilities		<u>100</u>	<u>100</u>
The funds of the charity			
Unrestricted income funds			
Called up share capital	5	100	100
		<u>100</u>	<u>100</u>
Total charity funds		<u>100</u>	<u>100</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The directors have taken advantage of the Companies Act 1985 by not having these accounts audited under Section 249A(2) (partial exemption).

The directors have acknowledged their responsibilities for preparing accounts which give a true and fair view of the company and of the profit or loss for the year then ended in accordance with the requirements of Section 226 of the companies Act 1985 and which otherwise comply with the requirements of this Act relating to Accounts, so far as applicable to this company

The directors have acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985

The directors have confirmed that no notice has been deposited under section 249B(2) of the Companies Act 1985

Approved by the board on 26 October 2007

C Jolliffe
Director & Secretary



Brigham Young University Trust Limited

Accounting policies

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the SORP 2005 and under the historical cost convention in accordance with applicable accounting concepts

ACCOUNTING CONCEPT

The company's basis of accounting is that income is recorded on the accruals basis. Expenditure is recorded on a cash basis but modified for certain items of accrued expenditure. The effect of not preparing financial statements fully on the accruals basis is not considered by the directors to be material.

CASH FLOW STATEMENT

No cash flow statement has been prepared as the company meets the small company exemption limits as defined by S247 of Companies Act 1985.

FRS 18

The directors have reviewed the accounting policies and confirmed that they are the most applicable.

PENSION CONTRIBUTIONS

The company is party to a defined benefit scheme operated by The Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plans (see note 10). The fund is valued every three years by a professionally qualified independent actuary, with rates of contributions payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of contributions made during the year or accrued at the year-end (i.e. on a defined contribution basis), as required by Financial Reporting Standard 17 "Retirement Benefits" in circumstances where the company cannot identify with any degree of accuracy its share of the scheme assets and liabilities. The company provides no other past retirement benefits to its employees.

Full details of the plan are provided in the financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain).

Brigham Young University Trust Limited

Notes to the financial statements

for the year ended 31st December 2006

1 Income and expenditure

Net expenditure of the company has been met by a reimbursement of £240,596 (2005 £235,982) from Brigham Young University

Rental income of £14,353 (2005 £14,375) was wholly generated in the United Kingdom

2a Analysis of charitable activities

	Total 2006 £	Total 2005 £
Provision of educational facilities	253,785	250,195

2b Charitable activities allocation

	Total £
Staff costs	107,912
General office	10,721
Food and kitchen supplies	50,559
Rates and insurance	14,236
Maintenance & repairs	39,069
Utilities	28,652
Telephone	2,636
	253,785

All of the above charitable costs constitute support costs and entirely relate to the provision of educational facilities

2c Governance costs

	Total 2006 £	Total 2005 £
Accounting costs	2,000	2,000

Certain management and administrative costs, have been borne by The Church of Jesus Christ of Latter-day Saints (Great Britain)

Brigham Young University Trust Limited
Notes to the financial statements
for the year ended 31st December 2006

3 Employees	2006	2005
	No	No
Employed by the company during the year was		
Office	<u>6</u>	<u>6</u>
	2006	2005
	£	£
Staff costs for the above persons		
Wages and salaries	89,276	84,739
Social security costs	7,654	7,242
Other pension costs	<u>10,982</u>	<u>10,731</u>
	<u>107,912</u>	<u>102,712</u>

DIRECTORS' REMUNERATION

None of the directors who served during the year ended 31 December 2006 received remuneration from this company, nor was any charge made to the company for their services by any other group company. Additionally no director received reimbursement for expenses incurred during the year.

4 Creditors Amounts falling due within one year	2006	2005
	£	£
Amounts owing to group undertakings	68,827	32,208
	<u>68,827</u>	<u>32,208</u>

5 Share capital	2006	2005
	£	£
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted and issued		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

Shareholders' funds are entirely attributable to equity interests

6 Reconciliation of movement in shareholders' funds - unrestricted	2006	2005
	£	£
Result for the financial year	-	-
Opening shareholders' funds	<u>100</u>	<u>100</u>
Closing shareholders' funds	<u>100</u>	<u>100</u>

Shareholders' funds are entirely attributable to equity interests

Brigham Young University Trust Limited

Notes to the financial statements

for the year ended 31st December 2006

7 Related party transactions

The parent company is Brigham Young University, a corporation incorporated in the state of Utah, United States of America

Brigham Young University fully subsidises the expenditure of the Brigham Young University Trust Limited. For the year ended 31 December 2006 this amounted to £240,596 (2005 £235,982). The balance due to Brigham Young University at the year end was £68,827 (2005 £32,208).

The hostel providing accommodation to students is owned by The Church of Jesus Christ of Latter-Day Saints (Great Britain) and is rent free

8 Ultimate holding company

The company is owned by Brigham Young University, a company incorporated in USA

The ultimate holding company and controlling party is The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, a corporation incorporated in the state of Utah in the United States of America

9 Future finance

Brigham Young University has confirmed that it will provide the funds to support the company's future activities

10 Pension and other post employment commitments

The Company participates in a pension scheme operated by the Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plans ("The Plan"). The scheme is of the defined benefit type and is funded by contributions from the participating companies and their employees at rates determined by independent actuaries in the light of regular valuations. Such contributions are held in trustee-administered funds completely independent of group finances. Full disclosure of the valuation is shown in the accounts of The Church of Jesus Christ of Latter-day Saints (Great Britain).

The company has accounted for the scheme as if it was a defined contribution scheme because it is not feasible to split the assets and liabilities of the scheme between all the companies whose employees are members. Contributions to the scheme for the year were £10,982 (2005 £10,731).